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Carol X Weakley 10/12/2006 04:23:25 PM From DB/Inbox: Carol X Weakley

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C O N F I D E N T I A L SECTION 01 OF 02 TEL AVIV 004013

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E.O. 12958: DECL: 04/28/2011
TAGS: [PGOV](#) [PINR](#) [IS](#)
SUBJECT: LIEBERMAN'S GAME PLAN

Classified By: Charge d'Affaires Gene A. Cretz. Reason 1.4 (B/D)

¶1. (C) Summary: In the midst of the Jewish holiday of Sukkot, when most government officials are on holiday, and on the eve of the resumption of Knesset activity on October 16, political pundits are making hay of reports that Prime Minister Olmert will soon expand the governing coalition to include Avigdor Lieberman and his Russian-immigrant based Yisrael Beiteinu party. Lieberman has stolen the headlines during the holidays with news of his initiative to introduce a package of political reforms aimed at creating a more presidential political system when the Knesset comes back into session. Lieberman's consultations with Olmert and meetings with key coalition figures, such as Shas Party head Eli Yishai, further fueled speculation that Lieberman is about to join the coalition, despite the opposition of Labor Party leader Peretz. While Lieberman's eleven Knesset seats are undoubtedly attractive to a politically weakened Prime Minister, the price demanded by Yisrael Beiteinu, particularly in terms of its hard-line inclinations toward Arabs, may be difficult for Olmert's Labor Party coalition partner to accept. End Summary.

2 (U) In July, Yisrael Beiteinu tabled a draft basic law "The Government (Separation of Powers and Presidential Authority)" outlining his plan to reform the Israeli political system into one that is more presidential. This bill promotes, inter alia, the following reforms:

-- The Prime Minister is to be elected at the same time as the Knesset (i.e., a return to a double-vote system that was last used in the 1990's): he/she has to be 35 years old, a Knesset member, or the nominated head of a political party represented in the outgoing Knesset. Once he has served seven years as Prime Minister, he cannot run for re-election at the next election. He is the supreme executive authority in the state, with the sole power of appointing ministers.

-- The Prime Minister has to obtain fifty percent of the vote; there must be a run-off between the two leading candidates if the first round does not produce a candidate with this percentage.

-- A minister cannot also serve as a Knesset member.

-- Should the Prime Minister resign, his deputy will serve out the original Prime Minister's term.

-- The existing law (i.e. that failure to pass the state budget law by December 31 means new elections) is retained.

-- The government has the sole power of declaring war.

-- Knesset elections and elections for the prime minister are to be held simultaneously.

¶3. (C) Lieberman's legislative aide, Anna Olikier, told poloff October 11 that this will be the third time that Lieberman has introduced such a bill. She reported that all Yisrael Beiteinu MKs had been called to attend a seminar on "presidential systems" on October 16 in advance of the bill's anticipated introduction for a preliminary reading on October 18. Olikier noted another dramatic element of the Lieberman reform program: Knesset parties must win at least ten percent of the vote (up from the current two percent) to secure seats in the Knesset. She wagered that prospects for the bill would depend heavily on whether Olmert invites Yisrael Beiteinu to join the coalition. If Olmert does, then Olikier anticipates that it will be easier to obtain the majority vote required to secure preliminary passage. If not, the current coalition would have "ample tricks" to slow-roll Lieberman's legislative agenda, which also includes drafting a constitution and a new constitutional court. Olikier reported that the Knesset's Constitution and Law committee would meet on October 19 in the first of three sessions to review the work of nearly one hundred Knesset meetings on a draft constitution.

¶4. (C) A Labor Party political consultant who worked on Peretz' election campaign, Oriella Ben-Zvi, reviewed the political landscape in the aftermath of the Lebanon war with poloff. She commented that with Peretz' leadership of the party shaken by the war, everyone within the Labor Party is jockeying for power within and outside the party. Labor Party members are divided on issues ranging from political reform to the question of Lieberman's membership in the coalition. MKs Avishai Braverman, Ami Ayalon and Ehud Barak are clearly embarking on quests to take back the helm of the party sometime in 2007, and this, Oriella remarked, has led to the emergence of strange alliances of political convenience, such as the reported collaboration between Braverman and Likud MK Gilad Erdan on a joint initiative to change the government. Meanwhile, the Kadima Party appears to be pressing forward with its own plan to raise the electoral threshold and instituting regional voting, an idea that Lieberman does not favor.

¶5. (C) Comment: The intrigue surrounding the question of whether Lieberman will join the coalition is a reprise of the political debate that preceded Olmert's announcement of his government and platform in April. Lieberman's price back then was relatively cheap -- the Ministry of Public Security -- but ultimately unpayable given the lingering police investigation hanging over Lieberman's head. Now, Lieberman's price comprises five policy matters that will be difficult for Olmert (and, in some areas, for the U.S.) to accept: government reform, no more talk of convergence, no further removal of illegal outposts, a civil marriage bill (dear to the Russian immigrant community but anathema to Olmert's ultra-orthodox allies), and a formal Commission of Inquiry into the Lebanon war. In addition, Lieberman's longstanding hostility toward Israel's Arab minority and his bellicose posturing have in the past made him an unacceptable coalition partner for Peretz. Olmert may feel that adding Lieberman will strengthen his hold on power, but the price

may prove higher than he can afford. End Comment.

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